



United States  
Department of  
Agriculture

Rural  
Housing  
Service

## Oregon AN No. 1255 (1940 and 426.2)

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September 17, 2003

**SUBJECT:** Guaranteed Rural Housing (GRH) Program  
Exception Authority - First Floor Habitable Space Elevation  
Below the 100-Year Flood Plain Level

**TO:** Rural Development Managers  
Rural Development  
Oregon

### **PURPOSE/INTENDED OUTCOME:**

This AN is substantially a reissue of the previously issued AN/exception authority on this subject. RD Instruction 426.2 was published in 1974, and is currently in the process of beginning to be revised. For Rural Housing Service (RHS) Single Family Housing programs, it is expected that the revised instruction will no longer require that a dwelling's first floor habitable elevation be above the 100-year flood plain base elevation measurement. Removal of the first flood elevation requirement will allow RHS to better serve rural residents who need to purchase homes or improve their existing homes. The Agency's interest will be protected in that appropriate level of flood insurance will be maintained on all affected houses.

### **COMPARISON WITH PREVIOUS AN:**

This AN replaces AN 1229 issued August 5, 2002.

### **IMPLEMENTATION RESPONSIBILITIES:**

National Office has authorized an exception to the current RD instruction 426.2, that requires the first floor habitable elevation to be above the 100-year flood plain base elevation. The exception is subject to the following conditions:

**EXPIRATION DATE:**  
September 30, 2004

**FILING INSTRUCTIONS:**  
Proceeding RD Instruction 1940-G  
And 426.2

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USDA, Director, Office of Civil Rights, Washington, DC 20250-9410

- A. The exception applies to Fiscal Year 2004 section 502 Guaranteed loans only. Continuation beyond FY 2004 will require an extension of the National Office waiver.
- B. The exception applies only to existing dwellings that are eligible for flood insurance through the National Flood Insurance Program. New dwellings are not eligible for consideration under this exception authority.
- C. All RD Instruction 1940-G requirements must be met, which include:
  - 1. FEMA Form 81-93, "Standard Flood Hazard Determination" obtained.
  - 2. The Agency must complete Form 1940-21, "Environmental Assessment for Class 1 Action". The alternative analysis should be documented as an Exhibit to item 7 of the form.
  - 3. The Agency Loan Approval official must document the file with a "Finding of No Significant Environmental Impact" (FONSI). See Exhibit I to RD 1940-G.
  - 4. The Agency must provide a private party notification to the applicant(s) of the hazards associated with locating within a flood plain.
- D. All other applicable loan program requirements must be met.

If you have any questions regarding this Administrative Notice (AN), please feel free to contact Single Family Housing at (503) 414-3335.



LYNN SCHOESSLER  
State Director